



THE CLIMATE FOR CHANGE

Companies are investing
billions of dollars to reduce
their carbon footprints and
save the planet.

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World Business Council for
Sustainable Development



In the not-so-distant past, big corporations seldom sat on the same side of the table as environmental groups when it came to hashing out environmental regulations. Those days are waning, as climate change becomes a new global priority.

In January, in its new “Blueprint for Legislative Action,” the U.S. Climate Action Partnership—a group that includes large U.S. corporations and environmental nonprofits such as the Environmental Defense Fund and Natural Resources Defense Council—called on Congress to act quickly on a bill that will fight climate change and cap carbon emissions. “Typically, the kinds of companies that are members of the U.S. Climate Action Partnership are those that would be lobbying against regulation,” says Rona Fried, president of SustainableBusiness.com, a global news and networking website, and editor of *Progressive Investor*, an online newsletter that publishes the SB20, a list of the world’s top sustainable business stocks. “This is the first time major corporations around the world have done the opposite.” Why? “We’re no longer questioning that climate change is underway,” says Fried.

Clear regulations are important to businesses that are committed to sustainability and need to take their next steps, she explains. “These corporations are investing billions of

dollars to reduce their footprints,” she says. “They need a level playing field. Until we have national regulations, that doesn’t happen.” Many companies are looking to the Obama administration to put them into place, she says. “There is obviously great strength when the major corporations come together and say, ‘This is a necessity,’” she adds.

A PLANETARY MISSION

The U.S. Climate Action Partnership isn’t acting in a vacuum. As world leaders prepare to converge on Copenhagen, Denmark in December for a special UN summit to replace the expiring Kyoto Protocol, the World Business Council for Sustainable Development, which includes some USCAP members, is pushing to get a final agreement in place by 2012, before Kyoto expires the following year. The protocol, which took effect in February 2005, binds 37 industrialized nations and the European Community to targets for reducing greenhouse gas emissions. The WBCSD is a CEO-led association of more than 200 large corporations located around the world.

“The consequences of climate change have become a very important strategic issue for business,” says Bjorn Stigson, president of the WBCSD. “It has become a core issue that many companies will have to consider when they think about what technologies and facilities to invest in.” Given that the

We have until 2016 to reduce CO₂ levels by at least 7% to preserve the earth’s balance, according to NASA’s chief climate scientist.



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private sector makes 85% of the world's energy investments, any delays in forging a "Copenhagen Protocol" could have serious consequences for the global climate, says Stigson.

Perhaps it shouldn't be surprising that corporations are making greenhouse-gas reduction a top strategic issue. "The NASA scientist James Hansen has given us a ten-year window, that if we don't dramatically reduce emissions, we'll be entering a period of uncontrollable climate change," says Fried.

Hansen, NASA's chief climate scientist, mentioned the approximately ten-year window in 2006. He has said that we need to quickly reduce the level of atmospheric carbon dioxide by at least 7%, to a minimum of 350 ppm, to preserve the Earth's balance.

To speed efforts to reduce the carbon emissions that contribute to climate change, WBCSD is looking to establish a global carbon market through the agreement in Copenhagen. Currently, a hodgepodge of systems around the world gives companies economic incentives to avoid releasing greenhouse gases into the atmosphere; such incentives include "cap and trade," carbon taxes, and renewable-energy obligations. In countries that use these systems, companies that pollute less than regulations allow can sell credits to those who exceed the limits. However, in some markets, governments subsidize carbon prices heavily, making it hard to understand the real price of these emissions. In the unified system the WBCSD envisions, there would be one price for carbon emissions around the world. "For any business decision, you need to know your costs," explains WBCSD's Matthew Bateson, managing director, energy and climate focus area. In the new system, the market would establish a global registry of participants and market instruments to make it possible to trade internationally.

LEVERAGING GREEN TECHNOLOGY

The proposed agreement will also need to establish a global body to provide oversight, and address penalties for noncompliance; provide facilities for banking and borrowing; establish requirements for monitoring and reporting; and create carbon offset policies, says the WBCSD. Committing to the continual development of new emissions-control technology should also be part of the agreement, says the group. It promotes the "4D"

approach: Discover, Develop, Demonstrate, and Deploy. "It's about deploying existing technology and developing alternative energy solutions that will help companies gain economies of scale and lower their costs and emissions," says Bateson. With emissions rising in developing countries, the new protocol should give emerging economies equal access to the emissions-reduction technology used in wealthier countries, says Stigson. "An agreement must take into account that climate change must be balanced against a need for economic development, which is necessary for poverty alleviation," he adds.

Even without an agreement in place, many major companies are moving forward on efforts to reduce greenhouse gases. Take Waste Management, North America's largest provider of comprehensive waste management services. The Houston-based company will begin measuring its carbon footprint this year, investing in the technology needed for the complex task, and by 2010 will report on its baseline emissions. The 47,000-employee company has made doubling its waste-to-energy production one of four key goals for 2020, outlined in its 2008 corporate sustainability report, "The Color of Our World."

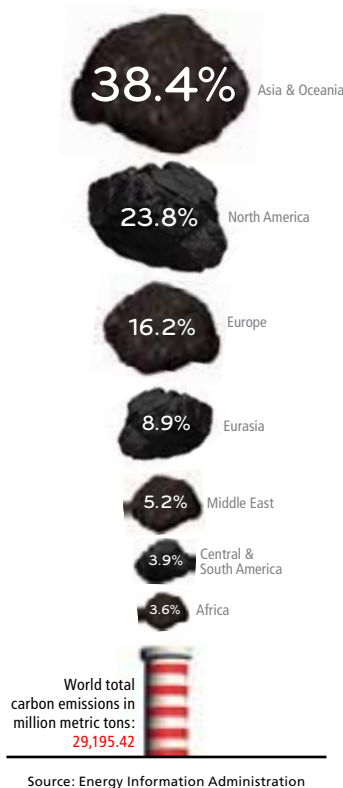
For 20 years, Waste Management has pioneered the technology to efficiently capture the powerful greenhouse gas methane and convert it to energy sent to the electrical power grid, explains Lynn Brown, vice president of corporate communications. "We've made the leap that a lot of companies didn't, to say, 'This is a resource. We want to recover it,'" she notes. "Creating renewable energy is a business for us." Today, the company

creates enough energy to power one million homes each year from both landfill-gas-to-energy and waste-to-energy plants.

Worried about the state of the environment, Fried sees some signs of hope in recent corporate efforts to prevent climate change. "I'm optimistic that we will start to get results," she says. "The overwhelming majority of corporations around the world are involved in climate change initiatives." ●

UP IN SMOKE

A regional look at world carbon dioxide emissions.



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THE HALO EFFECT

HP's videoconferencing technology allows users to reduce carbon emissions associated with air travel.

Green Screens: Companies can save 230 tons of carbon per year for each Halo they use.

Imagine a videoconference that leaves you feeling like you had actually met the people on the other end face to face—an experience where there is no perceived delay, and you can see practically every facial gesture as if you were sitting right next to each other.

HP's Halo Telepresence and Video Conferencing Solutions allow you to converse in real time, making nuances like side conversations easy to follow. You can easily see participants at multiple locations around the world simultaneously, and you can hear with amazing, fully duplexed audio. Through HP's fiber optic Halo Video Exchange Network and managed service offerings, users can easily connect to other meeting participants inside and outside their company—without worrying about bandwidth scheduling—so meetings with partners, vendors, and suppliers are a snap. What this means for your business: increased productivity and a decreased need for travel.

By replacing the need to fly to meetings, this product helps companies reduce greenhouse gas emissions associated with air travel. "For each Halo in a company, you save about 230 tons of carbon per year," says Bonnie Nixon, director for environmental sustainability, interviewed via Halo from her office in Palo Alto, Calif. This assumption is based on a company saving one air trip a day, she says.

HP is also taking steps to reduce the energy required to manufacture and distribute its products, as well as that used in HP's own operations. The company is consolidating 85 data centers into just six large ones, with yearly

energy savings from this global consolidation of up to 350 million kilowatt hours and annual cost savings of up to \$30 million.

To help its customers protect the environment, HP has created a portfolio of energy-efficient products, from laptops and desktop printers to enterprise-class servers and services, all geared toward creating comprehensive solutions so customers can cut IT-related energy costs and greenhouse gas emissions.

Of course, IT-related carbon output is just a small piece of the puzzle. "Of all the carbon emissions in the world, the IT industry generates only 2%," Nixon says. "HP wants to lower them, but it is also working on reducing the other 98%."

An assortment of energy-saving solutions like Halo can help companies in all phases of their business. These range from print management and print-on-demand services that save energy and paper, to solutions that let manufacturing plants operate more efficiently.

For HP, sustainability, efficiency, and profitability go hand in hand. "Among HP's values is a deep respect for the environment, and an ingrained commitment to reducing our impact today and building a sustainable global economy tomorrow," says Nixon. "HP aligns its technology, environment, and business strategies to reduce its carbon footprint, provides practical solutions to make it easy for our customers to go green, and conducts high-impact research on sustainability solutions to move us to a low-carbon economy." ●

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HP'S GREEN TRACK RECORD



1970 First company environmental control coordinator appointed.

1987 Product recycling launched.

1992 Product Design for Environment (DfE) program launched.

1999 30 millionth LaserJet cartridge recycled through Planet Partners.

2006 International climate change initiative launched with World Wildlife Fund.

2007 Reached goal of recycling one billion pounds of computer hardware and print supplies.

2009 In March, HP publishes its eighth Global Citizenship Report.